



June 2, 2011

Ex Parte Notice

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; High-Cost Universal Service Support, WC Docket No. 05-337; Developing a Unified Inter-carrier Compensation Regime, CC Docket 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link-Up, WC Docket No. 03-109

Dear Ms. Dortch:

On Wednesday, June 1, 2011, Shirley Bloomfield, Chief Executive Officer of the National Telecommunications Cooperative Association (“NTCA”) met with Zac Katz, the wireline legal advisor to Chairman Julius Genachowski, and Michael Steffen from the Office of General Counsel, to discuss matters related to the above-referenced proceedings.

Specifically, Ms. Bloomfield discussed the universal service fund (“USF”) and intercarrier compensation (“ICC”) reform plan submitted by NTCA and other national, regional, and state rural telecom associations in these proceedings. Ms. Bloomfield noted that this plan incorporates the most effective components of the current high-cost USF program, but modernizes this mechanism and takes a number of meaningful steps to enhance its sustainability.

Ms. Bloomfield, Mr. Katz, and Mr. Steffen discussed potential changes to current rate-of-return mechanisms – such as those contained in the plan submitted by the rural representatives and in the Notice of Proposed Rulemaking in the above-referenced dockets – as well as potential alternatives to rate-of-return cost recovery. Ms. Bloomfield noted that the Federal Communications Commission (the “Commission”) had previously reviewed and rejected the use of cost models for the distribution of USF support to smaller rural carriers. She also observed that there was currently no model in the public record that had been fully vetted and tested by all stakeholders for such a purpose. Given the essential importance of sustainable broadband to the health and welfare of rural America, in lieu of using untested and rushed cost models or other untested and experimental measures for determination of USF support needs in high-cost areas served by small rural carriers, Ms. Bloomfield urged the Commission to undertake targeted,

Ms. Marlene H. Dortch

June 2, 2011

Page 2

carefully calibrated reforms to a proven foundation and thereby enable the deployment and continuing operation of broadband-capable networks. Ms. Bloomfield also emphasized that the Commission's aim needed to be on more than just unserved areas; rather, consistent with its universal service mandate, the Commission should embrace a long-term legacy of making sure that affordable and high-quality broadband services are sustainable throughout rural America.

Ms. Bloomfield further discussed potential options for ICC reform and the importance of ensuring that regulators, rather than individual industry participants, will ultimately drive the pace and process of comprehensive reform. The positions expressed by Ms. Bloomfield in this regard were consistent with NTCA's prior filings in this proceeding, including but not limited to those positions stated in NTCA's "Section XV" Comments and Reply Comments filed on April 1, 2011 and April 18, 2011, respectively, those positions stated on pages 12 to 27 of NTCA's Comments filed on April 18, 2011, and the positions set forth on pages 48 to 61 of NTCA's Reply Comments filed on May 23, 2011.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office. If you have any questions, please do not hesitate to contact me at (703) 351-2016 or mromano@ntca.org.

Sincerely,

/s/ Michael R. Romano
Michael R. Romano

Senior Vice President - Policy

cc: Zac Katz
Michael Steffen